

EXHIBIT 4
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Montana Historical Society Building Chronology

- February 2005 Montana Historical Society (MHS) Building is presented to LRBP Committee with two funding sources (private funds & bonds).
- April 2005 Fifty-ninth legislative session approves project:
HB5 - \$30,000,000 donations & grants
HB540 - \$7,500,000 G.O. bonds
- June 2005 A&E Division sends a letter to all LRBP Committee members outlining progress to date on the MHS Building project.
- August 2005 Department of Administration & Capital Hill Mall (CHM) Partnership formalize an agreement to complete a "due diligence" report on the mall property.
- November 2005 Arnie Olson, museum director, resigns.
- March 2006 The CHM Partnership delivers the last component of the due diligence report—their appraisal of the mall property.
- May-June 2006 Keith Kelly requests A&E to explore several different siting possibilities for the location of the MHS Building.
- July 2006 Richard Sims begins work as the new director of the MHS.
- November 2006 Budget director approves the use of up to \$250,000 of bonds for MSH Building planning purposes.
- January 2007 Richard Sims provides update of MHS Building progress to the LRBP Subcommittee including the intention to study & evaluate several different sites for the MHS Building project.
- January 2007 A&E distributes RFP for architectural services for MHS/Capitol Master Plan projects.
- July 2007 Complete contract with CTA Architects, Engineers, Planners for the project.
- September 2007 CTA presents a recommended long-range plan for the Capitol Complex/MHS Building to the Capitol Complex Advisory Council ~~(CAAC)~~. (CCAC).

October 2007 CCAC votes to locate the MSH Building at the Capital Hill Mall site and endorses motion to offer Westfield Properties \$7.0 million for the site.

November 2007 A&E reviews cost estimates for the MSH Building project at both the CHM site and the site at 6th and Roberts. The mall site is estimated to cost \$24 million more than 6th and Roberts.

November 2007 Department of Administration Director Janet Kelly issues challenge to CHM site proponents to raise \$24 million by January 31, 2008.

May 2008 Mall site proponents challenged to raise \$13 million by November 15, 2008, before the State will proceed with the purchase of CHM properties for negotiated price of \$6.5 million.

December 2008 November 15, 2008, deadline for backers of the CHM site to raise \$13 million is extended to January 15, 2009.

January 2009 Attempts to raise the \$13 million are unsuccessful and DOA Director Kelly concludes that the best site for the Historical Society project is the Sixth and Roberts location.

DEPARTMENT OF ADMINISTRATION
DIRECTOR'S OFFICE

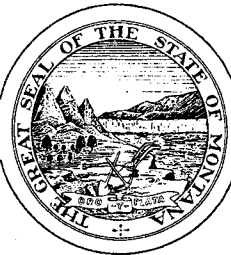
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BRIAN SCHWEITZER, GOVERNOR

JANET R. KELLY, DIRECTOR

STATE OF MONTANA

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MITCHELL BUILDING
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HELENA, MONTANA 59620-0101

January 16, 2009

The Honorable Brian Schweitzer, Governor
State of Montana
State Capitol, Room 204
Helena, Montana 59601

RECEIVED
ARCH. & ENGR. DIVISION

JAN 16 2009

HELENA: MONTANA

RE: Building Project for the new Montana Heritage Center

Dear Governor Schweitzer:

For over a year, the Department of Administration has been waiting to see if money could be raised by proponents of the Capital Hill Mall as the building site for the new Montana Heritage Center. The January 15, 2009 deadline for the fundraising challenge has now passed, and the \$13 million was not raised. Therefore, it is time for me to make a decision as to how to proceed on the building project for a new Montana Heritage Center.

Following is a brief history of this project that began in early 2005.

- The 2005 Legislature approved \$37.5 million for the Montana Historical Society Building Project. HB 5 authorized \$30 million for donations and grants, and HB 540 appropriated \$7.5 million for general obligation bonds. The Capital Hill Mall was identified as a potential site for the new Montana Heritage Center.
- The Department of Administration's Architecture and Engineering (A&E) Division conducted due diligence studies of the Capital Hill Mall property to determine its feasibility for use as a statewide museum, including a(n):
 1. independent appraisal of the existing mall and land;
 2. thorough analysis of the existing facility, including but not limited to, a hazardous material survey, structural review, roof survey and mechanical system survey; and,
 3. complete analysis of current land ownership.

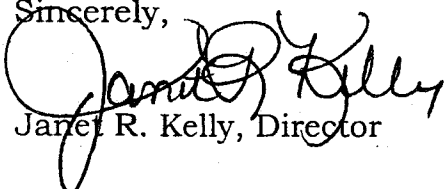
A&E completed the due diligence report in March 2006.

- A&E also needed to evaluate the Montana Historical Society's program needs before making a site recommendation. In June of 2007, A&E began working with architectural/museum consultants to conduct a needs assessment for the museum, update the Capitol Complex Master Plan and recommend a location for the heritage center. They concluded the preferred site to be Sixth and Roberts because it would meet the Historical Society's long-term needs, could be constructed within the \$37.5 million authorized by the 2005 legislature, and would not require moving the current staff. However, in October of 2007, the Capitol Complex Advisory Council recommended that the State of Montana purchase the Capital Hill Mall and build the new heritage center on the property.
- In November 2007, I postponed making a decision because of the \$24 million cost difference between the two building sites, and issued a challenge to the mall proponents to raise that amount of money by January 31, 2008.
- In May 2008, the State of Montana signed a Letter of Intent to purchase the Capital Hill Mall property for \$6.5 million from the Capital Hill Mall Partnership with a due diligence deadline of November 15, 2008 and a closing date of December 15, 2008. One contingency was the fulfillment of a \$13 million fundraising challenge (reduced from the original \$24 million amount). In November 2008, the Letter of Intent was amended to extend both the due diligence and fundraising deadlines to January 15, 2009.
- The Capital Hill Mall proponents did not meet the January 15, 2009 deadline for the \$13 million fundraising challenge.

Although the building project cost at the Capital Hill Mall has been reduced by \$500,000, the estimated cost is still \$23,861,360 million more than the consultant's recommended site at Sixth and Roberts.

As the decision maker, it is my responsibility to make sure that the new heritage center building project is financially attainable. Therefore, after studying all the facts, I have concluded that the Sixth and Roberts location is the best choice for the new Montana Heritage Center.

Sincerely,


Janet R. Kelly, Director

cc: James W. Murry, Chair, Montana Historical Society Board of Trustees
Richard Sims, Director, Montana Historical Society